



EDINBURGH TRAM Highlight Report to the Chief Executive's Internal Planning Group 27 April 2010



1 Background

This 'highlight report' is an update to the Chief Executive's Internal Planning Group (IPG) on the Edinburgh Tram Project to inform on the progress on this project and any decisions required.

A redacted version of this report is also to be circulated within the Council as a means of communicating progress with the Tram project.

2 Executive Summary

2.1 Matters Arising

Evaluation of Financial Contingency Measures, Strategic Options and Financial update

An update is provided on project 'pitchfork', financial contingency planning, Governance and the Council's £45m contribution.

Tram Monitoring Officer Update

An update on the Dispute Resolution Process (DRP) including a summary of DRPs is provided.

Communications Update

A media update is provided along with information on the arrival of the first tram and FOISA requests received.

Council meeting on 27 May 2010

A draft report has been prepared to update the Council on the tram project. The main headings in the report are provided.

Statutory Council Approvals and Consents

As the detailed design continues, there are several statutory consents that the Council must provide. These include Planning Prior Approvals, Building Warrants, Roads and Structures Technical Approvals.

Land Acquisition and Certificate(s) of Appropriate Alternative Development (CAAD)

An updated position for the CAADs is provided.

Planned Future Tram Council Reports

A list of planned future tram related Council reports is provided.

Risk Review

A review of the Council's Tram Risk Management Plan has been undertaken and the risks with the highest impacts are contained within this report.



2.2 Matters to Note or for a Decision

- To note the update on project 'pitchfork', the financial contingency planning and Financial update, the alignment of roads programme and the Governance update.
- To note the Tram Monitoring Officers (TMO) update on DRP and that the TMO is now based at Citypoint 3 days a week.
- To note the communications update.
- To note the contents of the report being prepared for the Council meeting on 27 May 2010.
- To note the progress with the Statutory Approvals and consents.
- To note the position regarding land acquisition and CAAD applications.
- To note the planned tram related Council reports planned.
- To note that a review has been undertaken of the Council's tram risk management plan.

3 Evaluation of Financial Contingency Measures, Strategic Options and Financial Update (Presented by Alan Coyle)

Project "Pitchfork" Update

As detailed in the previous IPG report, **tie ltd** have now embarked on workstreams to implement the recommendation to the Tram Project Board on the 10 March 2010. The workstreams following board approval, called 'Pitchfork 2', sets out the strategy to bring matters to a head with BSC through continued robust contractual engagement with the goal of resolving the key issues of dispute and engendering more collaborative working with BSC with agreement of how to take forward on-street works at the forefront.

In addition, **tie ltd**, have begun analysis on the financial impacts of incremental delivery for the project. This report provides an update and the next steps on Pitchfork 2 matters.

Clause 80 – tie ltd have written to BSC instructing them to commence works on all areas which BSC deemed are being held up by outstanding changes. BSC have subsequently produced a holding response to **tie ltd** and have cited various blockers to progress work in particular areas. **tie ltd** will now issue a targeted Clause 80.13 instruction to BSC to commence work in areas where these barriers do not exist. Failure by BSC to undertake this instruction would be deemed as BSC suspending works, therefore could allow **tie ltd** to move to issue a termination notice to BSC.

Utility Delays – tie Ltd have acknowledged the delay the utilities works have caused in progressing the main infrastructure works and indeed had made an interim offer of nine months time delay to BSC. This matter has been referred to the DRP process and no solution has been found through mediation. It is surprising given that BSC referred this particular issue to DRP that they have not yet elected to proceed to adjudication.



On-Street Supplemental Agreement and tie Ltd alternative – tie Ltd have made a proposal to BSC for an alternative approach to on-street works to that which BSC wished to pursue following completion of the Princes Street works in November. The BSC proposal was to effectively use the Princes Street Supplemental Agreement (PSSA) as the framework for the rest of the on-street works. Given the inefficient and expensive nature of the PSSA, this is an unacceptable solution for the remainder of the on street works. **tie Ltd**, have therefore made an alternative proposal to progress the remaining on-street works under Clause 65 of the contract. This clause enables BSC to be paid for any scope changes as a notified departure. This would allow for the work to be progressed without the need to first agree the estimated change, which is the tactic BSC have used to date. No response has been made by BSC on **tie Ltd's** alternative proposal. **tie Ltd** have also started initial work on implementing an initiative for more collaborative working with BSC. This has yet to be discussed with the contractor but will be subject of discussion in forthcoming meetings.

Design Management – Work has continued by **tie Ltd** to identify further areas of audit where BSC have failed to manage the designer where this suspected mismanagement has had a material impact on the project programme.

Schedule Part 4 – Pricing Assumption 1 of the contract relates to the issue of design evolution and the difference between Base Date Design Information and Final Design Drawings and the role of the Employers Requirements. McGrigors are preparing the terms of reference for use in any potential expert determination. Opinion has been sought by Counsel as part of this process.

“Siemens 33” – This issue relates to items of change between the Airport and Edinburgh Park. Siemens have instigated an initiative to resolve the areas of change in this section in order to expedite work. **tie Ltd** have embraced this approach however 24 of the 33 items are for Bilfinger to action and they have, to date, not embraced this initiative. Each of these items is covered by the Clause 80.13 instruction **tie Ltd** have issued to BSC.

In general, meetings have continued between **tie Ltd** and BSC principals. These meetings have generated little by way of progress, if anything BSC has become more entrenched, which has been demonstrated by further letters to the Council’s Chief Executive.

In addition, the non-response and inaction from BSC on each of the items above demonstrates an unwillingness to progress the project and would indicate that BSC are playing for time.

The recommendation that was endorsed by the Tram Project Board in March 2010 was option 3C, highlighted in the table below. However, failure to make progress on this option could push **tie Ltd** and the Council towards option 2B2.

Option	Original number	Option	Description
2	2B2		BB exit - Infraco Contract remains intact with BB full or partial exit
4	3C		Enforced adherence - Assertive application of the Infraco Contract in its present form but with disputes settled in the short term and a negotiated new way of working



Following further discussion at the Tram Project Board on the 14 April, it became clear that, given the lack of progress, the Board’s overwhelming wish was for **tie ltd’s** Chief Executive to begin negotiations with BSC to curtail the scope of Bilfinger Berger’s work. The working assumption is that Bilfinger would complete the Airport to Haymarket section with the remaining civil engineering works being undertaken by an alternative method. Updates will be given to Council Officers on a weekly basis on the progress of these negotiations by Richard Jeffrey.

Incremental Delivery Options – In addition to the work on the issues noted above, **tie ltd** have also begun work on the implications for Incremental Delivery Options. This work, when complete, will examine both the anticipated capital cost of Incremental Delivery at certain points along the route and will also evaluate the impacts on the Revenue generated by TEL. The Revenue Impacts will require further investigation and sign off by Lothian Buses to ensure a joint approach is taken to business planning; this matter will be subject to a report to the Tram Project Board and the IPG in due course.

The estimated capital cost for the Incremental Delivery options are summarised in the table below. Detailed information will be circulated at the IPG.

Phased Location	Option 2b2 BB exit - Infraco Contract remains intact with BB full or partial exit	Option 3c Enforced adherence - Assertive application of the Infraco Contract / new way of working
Haymarket	£522m	£522m
York Place	£566m	£547m
Foot of Walk	£629m	£601m
Ocean Terminal	£651m	£626m

It should be noted that because **tie ltd** have commenced work adjacent to Lindsay Road (a 250m long retaining wall is currently being constructed) this will limit the impact on any potential savings that could be achieved by construction phasing.

Financial Contingency Planning

Finance has continued to work on contingency planning options for funding in excess of the currently approved budget of £545m. This work has identified funding up to a maximum level of £600m from a combination of sources. However, a further risk has emerged in terms of potential restrictions on the Prudential Framework that may become apparent under a new UK Government. This risk could seriously hamper any additional funding that the Council could provide for the project. Some preliminary work has been undertaken by Finance to look at alternatives to the current funding sources which include examination for sale and lease back transactions for tram vehicles. Finance will continue to monitor this situation and alternative financing options.



Finance Update

Transport Scotland has now contributed £345m to the project to facilitate spending to the end of period 2 of financial year 2010/11. The latest cash application to Transport Scotland is for £8.3m with the Council contributing £748k.

The current forecast call on Transport Scotland funding for 2010/11 is £131m. Recent discussions with Transport Scotland have indicated that their contribution to the project will be circa £130m in the 2010/11. The Council contribution is forecast at £11.8m for 2010/11.

The average run rate for the current financial year, based on cost of work done, is £8.7m per period. Based on this run rate there is around 21 months of funding to go on Transport Scotland's commitment of £500m.

Alignment of Roads Programme

At February's IPG there was discussion around possible alignment of the Council's roads maintenance programme with the on-street tram works where the works align with the priorities identified through the roads programme. Several dates have now been arranged and subsequently cancelled by Services for Communities. Given the delay to the on-street works the lack of progress on this matter is, at this time, not critical. However, it is important that the planning of this proposal can begin.

Governance

Governance work is ongoing, though the recent emphasis has been on attempting to find resolution to the contractual matters with the integration issues being put on the back burner. Finance have been progressing the Tax Planning work and have now had meetings with both PwC and Deloitte to establish who will be the Council's tax advisers on integration. The proposals from both sets of advisers are being evaluated and a decision will be made in the near future.

Update of Council's Tram Funding Strategy

The table below shows the total funding achieved to date:

CEC Contribution Breakdown	Planned Contribution	Achieved Contribution
Council Cash	£2.5m	£2.5m
Council Land	£6.2m	£6.2m
Developer Contributions – Cash	£25.4m	£4.5m
Developer Contributions – Land	£1.2m	£1.2m
Capital Receipts (Development Gains)	£2.8m	£0.0m
Capital Receipts	£6.9m	£2.0m
Total	£45.0m	£16.4m



4 Tram Monitoring Officer (TMO) Update (Presented by Marshall Poulton)

The final account for Princes Street Supplemental Agreement (PSSA) has yet to be settled. A meeting has been arranged for the 28 April between **tie ltd**, the TMO and representatives from Council Finance and City Development to discuss the close-out of the final account and areas of technical concern to the Council. The result of the final account on Princes Street will be reported to the IPG at the earliest opportunity.

Overall Infraco completion is 16.1%, which is an increase of 1.8% for this period against a plan of 4.4%.

There are currently five active DRP's. Four of the items relate to design issues for the Depot Access Bridge, Track Drainage, Baird Drive Retaining Wall and Tower Place Bridge. The fifth item relates to delay resulting from utility works (MUDFA Rev 8). Of these items, two are awaiting referral to adjudication by BSC (MUDFA Rev 8 and Depot Access Bridge).

Baird Drive Retaining Wall item awaits referral to adjudication by **tie ltd** and adjudication decisions are awaited on the 6 May 2010 and the 23 May 2010 on Track Drainage and Tower Place respectively. The approximate value of each DRP is noted below (though it should be noted that the value of a DRP principle may significantly differ from the value of the DRP dispute itself).

Following a decision taken by the IPG, due to lack of progress and concerns on the project, the TMO is now undertaking a more intensive role in the project, with particular focus on Project Management and Programme related issues. The TMO will provide a comprehensive report to the IPG in June on these issues and has written to **tie ltd** to obtain information (a copy of that letter is attached as Appendix 1).

In addition to the work currently being undertaken by the TMO, a further piece of project assurance work is in progress following a series of letters from BSC to the Council's Chief Executive. The Council have, in turn, replied to these letters highlighting to BSC that contractual matters should be conducted with **tie ltd**. However, the issues raised are being followed up by the Council requesting response from **tie ltd** on each of the issues raised in the letter with evidence to support **tie ltd's** response to the Council.



BSC Dispute Summary (Live and Potential Cases)

DRP No	Subject	Nature	Decision/Status	Approx BSC position	Approx Tie ltd position	Agreed Cost/ implications
1	Bus lane on Princes Street	Initiate Work	Agreed between the parties – supplemental agreement			
2	% uplift in prelims	Costs	Agreed at Mediation			
3	Hilton Car Park	Contract definition	Awarded in tie's favour	£100k	£0	£0
4	EOT1	Costs	Agreement reached through mediation			£3.5m
5a	Gogarburn	BDDI – IFC	Decision made	£300k	£100k	£150k
5b	Carrick Knowe Bridge	BDDI – IFC	Decision made	£300k	£175k	£150k
B / 5c	Russell Road Bridge	BDDI – IFC	Decision made	£4.8m	£1m	£2.6m(incl contamination)
5f	Haymarket	BDDI – IFC/ Costs	Agreement reached prior to reaching formal stages – costs reduced substantially	£400k	£96k	£195k
5i	Baird Drive	BDDI – IFC	Awaiting adjudication	£1.9m	£600k	£1.3m
5j	Balgreen Road	BDDI – IFC/costs	Agreement reached prior to reaching formal stages – costs reduced substantially	£800k	£300k	£500k
5o	Depot Access Bridge	BDDI – IFC/costs	Recently launched	£(4.8m)	£2.5m	£7.3m
A	MUDFA Rev 8	Time	Awaiting mediation			
5l	Section 7 track drainage	BDDI – IFC/costs	Awaiting adjudication	£26k	£1m	£1.02m
5e	Tower Bridge	BDDI- IFC/costs	Awaiting adjudication	£(369k)	£491k	£860k



5 Communications Update (Presented by Isabell Reid)

Media

Recent coverage has included the following:

- environmental impact of permanent road changes
- tram vehicle branding
- how the Council will fund its £45m contribution
- lifting of traffic management restrictions
- the Council Leader's members brief
- the SNP mounting a legal challenge against **tie ltd**
- the publication of a book detailing the construction of the tram and an archaeological exhibition prior to date of operation.

We have also taken out an advertorial in the Chamber of Commerce's Scotsman supplement which will focus on the economic benefits of the tram scheme. The summer edition of Outlook will also include a two-page spread on the project which will include Councillor Mackenzie answering questions.

We've already seen some political literature regarding trams and will be keeping a close eye on campaigning during the PURDAH period.

Arrival of first tram vehicle

At present this is scheduled for 26/27 April with the vehicle arriving overnight. The Council Leader will officially open it to the public on Tuesday 27 April. It was deemed inappropriate to stage a launch event on the same day as Firefighter Williamson's memorial is unveiled, however this does mean that the vehicle will be in plain sight on Princes Street a day ahead of its launch. A programme including opening hours and VIP visits is currently being collated. The arrival will attract media interest and we are working on the logistics around a media call, including the health and safety implications of filming around live traffic.

FOISA

There are an increasing number of requests coming in under Freedom of Information legislation for details on the dispute. These are being refused for reasons of commercial sensitivity and contractual confidentiality.

Three appeals have been lodged with the Office of the Scottish Information Commissioner (OSIC).

tie ltd has just completed an assessment exercise by the OSIC and followed this up with our own internal review of policies and practices which will be reported to the next Audit Committee. As a result of both these reviews **tie ltd** is organising two training workshops; one for the Executive team and the other more focussed on those responding to requests for information and reviews.



6 Council meeting on 27 May 2010 – draft issues (Presented by Alan Coyle)

A meeting will take place to discuss any material issues relating to the Tram Update report to Full Council on the 26 April 2010 between Council and **tie ltd** principals. Once this meeting has taken place external legal advisers will be invited for comment. The main headings in the draft as it currently stands are;

- Change Register and Dispute Resolution Process
- Legal and Contractual Matters
- Pitchfork
- Princes Street
- Further On-Street Supplemental Agreements
- Budget and Financial Contingency Planning
- Incremental Delivery
- TEL Business Plan Update
- Utilities

7 Statutory Council Approvals and Consents (Presented by Andy Conway)

The table below provides an updated summary position on all the necessary approvals required from the Council for the tram project. A further detailed breakdown is attached as Appendix 2.

CEC Statutory Council Approvals and Consents	Total Number of Submissions	Total number of Approvals	% Complete
Prior Approval	65	61	94%
Full Planning Permission	15	9	60%
Listed Building Consent	11	11	100%
Scheduled Monument Consent	1	1	100%
Building Warrant	19	15	79%
Technical Approvals (including Structures, Roads and Drainage)	129	91	70%
Total	240	188	78%

There remains a significant amount of conditioned matters that need to be addressed as part of the statutory Planning and Technical approvals and pressure is being placed on **tie ltd** to produce a delivery programme that demonstrates how these issues can be dealt with.

8 Certificate of Appropriate Alternative Development (CAAD) (Presented by Dave Anderson)

There is no significant change in the tram CAAD position. The current status is set out in Appendix 4.

Ocean Drive:

Planning statement prepared and presently with the Scottish Government Directorate of Planning and Environmental Appeals. Appeal lodged 24 November but appeals have yet to be allocated to a reporter.



Haymarket Yards:

Application remains under consideration. Applicant has requested an extension of time to 30 April 2010. A number of outstanding legal issues to address; relevant date / land ownership.

Consideration is being given to the Council submitting CAAD applications for the remaining sites along the route to ensure cost certainty.

9 Planned Future Tram Council Reports (Presented by Andy Conway)

The table below identifies the planned tram related Council reports and will be a standing item on the IPG for agenda planning purposes.

Item number 6 – The reporting on the objections from the tram TROs was planned for the Council meeting in June, however Councillor Mackenzie has asked that it be reported to the Transport, Infrastructure and Environment Committee in July instead as this would help with obtain support from the other political parties.

Councillor Mackenzie has set a provisional date for the next tram sub-committee on Thursday 3 June, and it has been provisionally agreed that this time can be used for a site visit by sub-committee members.

		2010											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Update on governance – on ETL					27/5/10							
2	DRP progress, including costs and programme implications					27/5/10	→						
3	Lothian Buses integration proposals				29/4/10	→							
4	Lothian Buses integration - approval of final arrangements								19/8/10				
5	Remuneration Strategy (for all Council companies) - including TEL and tie ltd						24/6/10						
6	Tram Traffic Regulation Orders		9/2/10					27/7/10	19/8/10				
7	Magdala area traffic calming							27/7/10					
8	Consultation on the future pedestrianisation of Princes St, plus update on the success of winter festivals embargo			23/3/10									
9	Update reports to the Tram Sub			22/3/10			3/06/10						



Key

Full Council
Transport, Infrastructure and Environment Committee
Policy and Strategy
Tram Sub Committee

10 Risk Review (Presented by Alan Coyle)

A new risk has been added to the Risk Register in the period relating to the risk of the Prudential Framework being restricted under the new UK Government. This risk would impact on the ability for the Council to fund the current commitments under the project and the contingency planning options currently under consideration.

Finance and **tie ltd** have also started work on a corporate risk register to be shared between the parties. This work will be developed over the coming months led by Alan Coyle and Stewart McGarrity.

The major risks identified are included in Appendix 5 of the report. These risks are reviewed every period as part of the CEC's Tram Co-ordination meeting.

List of Appendices:

- 1 TMO letter to tie ltd dated 15 April 2010
- 2 Statutory Council Approvals – Tables 1 and 2
- 3 Statutory Council Approvals – Tracker
- 4 Certificate of Appropriate Alternative Development (CAAD)
- 5 Extract from CEC Risk Register dated 21 April 2010



Steven Bell
 tie Limited
 Citypoint
 65 Haymarket Terrace
 Edinburgh
 Eh12 5HD

Date 15 April 2010
 Your ref
 Our ref SS1.1

Dear Steven

EDINBURGH TRAM – TMO PROJECT ASSURANCE REVIEW

As you know, Dave Anderson has asked me to undertake a project assurance review on the technical and engineering elements of the programme, and I intend to commence that, based at Citypoint, from 20 April. I am also taking this opportunity to undertake a review of the TMO/tie Ltd actions as required by our Operating Agreement.

To make the best use of my time, I thought it would be useful if I identified the areas that I wanted to focus on, and with that in mind, I have attached my initial thoughts and I would be grateful if you could make arrangements for me to have access to this information.

Once you have provided me with the information, I think it would be worthwhile for us to meet to review and identify any outstanding or supplementary data that I require access to.

Should you require any further information, please do not hesitate to contact me on 0131 469 3781.

Yours sincerely

Marshall Poulton
 Head of Transport

Encl



Information request from tie ltd

Programme

- An electronic copy of the BSC programme that was submitted to **tie ltd** on 8 March 2010.
- A copy of the information and data used in production of the TPB paper dated 14th April 2010 prepared by Susan Clark on the Programme, including the Acutus report.
- All other programme related information that you have that would be useful.

Princes Street Supplemental Agreement (PSSA)

- Detailed cost information around the PSSA and control measures that were in place to control costs, and any lessons learned.

Inspection and Testing

- Provide a copy of the inspection test plans and audits undertaken by **tie ltd** to ensure compliance with the standards and process within the Contract. I appreciate that this may be a significant body of work and perhaps our time could be best used if I were to audit the process and records you have. It would also be useful if I could obtain access to the raw data and I welcome your views on this.
- I would also like to understand the relationship that SDS have on-site. I understand they provide a construction support role and I would be keen to develop my understanding around those contractual relationships, particularly when it comes to the formal adoption of the roads and structures (which includes the final completion certificates etc) by the Council.
- The procedures being applied for the formal adoption of Council assets (roads, structures, lighting etc).
- Information, testing records and remedial works for the quality of the reinstatements for the utilities.
- Access to the site supervision records.

Audit

- Provide access to the auditing information used in the preparation of the TPB papers, particularly regarding management of quality on site.

Temporary Traffic Management

- The approvals around the temporary traffic management, and the controls in place for monitoring that.

Review of TMO and tie ltd Obligations as per the Operating Agreement

- Collect appropriate evidence to ensure the Operating Agreement is being complied with.



Statutory Council Approvals Summary Table

CEC Statutory Council Approvals and Consents	Total Number of Submissions	Total number of Approvals	% Complete
Prior Approval	65	61	94%
Full Planning Permission	15	9	60%
Listed Building Consent	11	11	100%
Scheduled Monument Consent	1	1	100%
Building Warrant	19	15	79%
Technical Approvals (including Structures, Roads and Drainage)	129	91	70%
Total	240	188	78%

Table 1 - Planning and Building Warrant Approvals

CURRENT STATUS	Sub Totals	Prior Approval	Full Planning Permission	Listed Building Consent	Scheduled Monument Consent	Building Warrant
Informal consultation not started	10	2	6	0	0	2
Informal consultation started	1	1	0	0	0	0
Application submitted	3	1	0	0	0	2
Approval granted	97	61	9	11	1	15
GRAND TOTAL and Sub Totals	111	65	15	11	1	19
% Complete	87%	94%	60%	100%	100%	79%

Table 2 - Roads & Structures Technical Approvals

CURRENT STATUS	Sub Totals	CEC Technical Approval	*Network Rail Form A	*SW Drainage Outfall Consent	*SNH	*BAA Approval	Roads Construction Consent
TA delayed due to recent change	0	0	0	0	0	0	0
Issued for informal consultation	0	0	0	0	0	0	0
Issued for Technical Approval	13	8	0	4	0	1	1
Technical Approval Granted	114	91	12	10	1	0	0
Not Yet Due	33	30	2	0	0	0	1
Delay	0	0	0	0	0	0	0
GRAND TOTAL and Sub Totals	159	129	14	14	1	1	1
% Complete	71%	70%	85%	71%	100%	0%	0%

* These consents are not CEC's responsibility, but for completeness they have been included as they are required to allow construction to commence.



APPENDIX 3

Prior Approvals Status					Approved by CEC	IFC	
Section	Batch	CEC Delay	SDS/ TIE/ BSC Delay	Activity ID	Current forecast (live)	v31	Notes
1	1/02a			Ocean Terminal Bypass Road	TBC		Forth Port require the design to be changed to accommodate their floorplan of a proposed future building. Agreed with Director of City Development on 13/10/09.
5A	5/05c			29 Roseburn Street – JB McLean (Building Warrant)			Pending Consideration. BSC to provide information to SDS. Target date TBC
	5/23			Redesign of Retaining Wall/Roseburn Street Bridge			Application on hold. tie to provide 'as built' details
5C	5/30			Tram Stop Gogarburn	11/09/2008	11/09/2008	Awaiting concept design comments from tie.
7	7/29a			Airport Kiosk – Full PP			Following meeting 15/08 change is on hold. tie to confirm final scope of works
	7/29b			Airport Kiosk – Building Warrant			SDS to confirm with CEC scope of Building Warrant

Technical Approvals Status - Structures

					Approved by CEC	IFC	
Section		CEC Delay	SDS/TIE/BSC Delay	Activity ID	Current forecast (live)	v31	Notes
5A				S22B Balgreen Road NR Access Bridge	?	16/01/2009	SDS has responded to NR concerns. NR is re-evaluating its points following clarification and will provide a response. Potential meeting required dependent on NR response.

Technical Approvals Status - Roads & Drainage

					Approved by CEC	IFC	
Section		CEC Delay	SDS/TIE/BSC Delay	Activity ID	Current forecast (live)	v31	Notes
1A3	Roads & Drainage				28/08/2009	21/01/2009	TA ongoing
1C1	Roads & Drainage						On hold awaiting drainage design/revised RSA
3A	Roads & Drainage				31/10/09	?	Progressing application in with priority list
3B	Roads & Drainage				31/10/09	?	Progressing application in with priority list
3C	Roads & Drainage				31/10/09	?	Progressing application in with priority list

APPENDIX 4

COMPULSORY ACQUISITION														
LOCATION	PREVIOUS OWNERSHIP DETAILS	PLOT NO	AREA (m2)	DV VALUE	PLANNING BASIS	PLANNING/CAAD RISK	RISK VALUE	COST RISK	ADDITIONAL FEES	ADDITIONAL INTEREST	TOTAL AT RISK	BUDGET RISK	ACTION TO MITIGATE	LIKELY OUTCOME
FORTH PORTS	CALA Management Ltd	47												
	CALA Management Ltd	48	596	£ 10,000	transport reservation/amenity	residential	£1,500,000	£ 250,000	£ 30,000	£ 130,356	£ 1,910,356	£ 1,900,356	CAAD appeal in front of reporter	
HAYMARKET YARDS	CEC	49	310		transport reservation/amenity	residential	mtd in above							
	Haymarket SPV Ltd	516	206	£	transport reservation/amenity	office/business	£0	£	£	£	£	£		
	Haymarket Yards Ltd	517	1056	£ 28,750	transport reservation/amenity	office/business	£250,000	£ 75,000	£ 5,000	£ 21,726	£ 351,726	£ 322,976		
	The Institute of Chartered Accountants of Scotland, 1 unknown owner, & Begbies Traynor (as liquidator for Braemar Homes Ltd in respect of 21 m2)	518	1000	£ 50,000	transport reservation/amenity	office/business	£250,000	£ 75,000	£ 5,000	£ 21,726	£ 351,726	£ 301,726		
	CEC & Jones Lang LaSalle Ltd as agents for the Universities Superannuation Scheme Ltd	523	1246	£ 45,104	transport reservation/amenity	office/business	£250,000	£ 75,000	£ 5,000	£ 21,726	£ 351,726	£ 308,822		
GYLE	CEC & Jones Lang LaSalle Ltd as agents for the Universities Superannuation Scheme Ltd	478	1956	£ 57,500	transport reservation/amenity	retail	£1,000,000	£ 50,000	£ 20,000	£ 86,904	£ 1,155,904	£ 1,099,404		
	CEC	479	111	£ 1,150	transport reservation/amenity	retail	£0	£	£	£	£	£		
	CEC & Jones Lang LaSalle Ltd as agents for the Universities Superannuation Scheme Ltd	480	89	£	transport reservation/amenity	retail	£35,000	£ 50,000	£ 700	£ 3,042	£ 89,742	£ 66,742		
	CEC	481	5619	£ 33,560	transport reservation/amenity	retail	£0	£	£	£	£	£		
	CEC & Jones Lang LaSalle Ltd as agents for the Universities Superannuation Scheme Ltd	482	1196	£	transport reservation/amenity	retail	£800,000	£ 50,000	£ 12,000	£ 52,142	£ 714,142	£ 714,142		
	CEC	483	3152	£ 14,407	transport reservation/amenity	retail	£0	£	£	£	£	£		
AIRPORT/AS	CEC	495	505	£ 7,265	hope value	hope value	£0	£	£	£	£	£		
	Haslemere Estates as agents for Meadowfield Developments Ltd	496	10724	£ 153,841	hope value	hope value	£450,000	£ 50,000	£ 8,000	£ 38,107	£ 548,107	£ 384,266		
	CEC	497	25917	£ 213,645	hope value	hope value	£0	£	£	£	£	£		
	Haslemere Estates as agents for Meadowfield Developments Ltd	259	14651	£ 86,430	hope value	hope value	£600,000	£ 50,000	£ 12,000	£ 52,142	£ 714,142	£ 627,712		
	BAA plc, Edinburgh Airport Ltd, & Scottish Airports Ltd	499	41805	£ 779,174	hope value	hope value	£2,100,000	£ 50,000	£ 42,000	£ 182,498	£ 2,374,498	£ 1,595,324		
	Haslemere Estates as agents for Meadowfield Developments Ltd	498	16216	£	hope value BAA?	hope value	£650,000	£ 50,000	£ 13,000	£ 55,488	£ 759,488	£ 769,488		
	Pinnacle Towers Ltd, Royal Bank of Scotland plc	273	4418	£ 115,000	hope value	hope value	£250,000	£ 50,000	£ 5,000	£ 21,726	£ 326,726	£ 211,726		
	Haslemere Estates as agents for Meadowfield Developments Ltd	259	1188	£ 69,000	hope value	hope value	£120,000	£ 50,000	£ 2,400	£ 10,428	£ 182,828	£ 113,828		
	New Ingleston Ltd	281	8046	£ 175,000	hope value	hope value	£650,000	£ 50,000	£ 17,000	£ 73,868	£ 990,868	£ 815,868		
	New Ingleston Ltd	303	10064	£ 150,000	hope value	hope value	£1,100,000	£ 50,000	£ 22,000	£ 85,684	£ 1,267,684	£ 1,117,684		
	New Ingleston Ltd	312	17739	£ 180,000	hope value	hope value	£1,800,000	£ 50,000	£ 36,000	£ 166,427	£ 2,042,427	£ 1,862,427		
	New Ingleston Ltd	316	5616	£ 100,000	hope value	hope value	£600,000	£ 50,000	£ 12,000	£ 52,142	£ 714,142	£ 614,142		
	ESH Airport (Edinburgh)	322	29477	£ 650,000	hope value	hope value	£4,000,000	£ 50,000	£ 80,000	£ 347,616	£ 4,427,616	£ 3,927,616		
	Seewick Ltd	327	3360	£ 75,000	hope value	hope value	£450,000	£ 50,000	£ 9,000	£ 39,107	£ 548,107	£ 473,107		
	TOTALS			£ 2,894,847			£ 16,855,000	£ 1,225,000	£ 337,100	£ 1,464,767	£ 19,881,867	£ 17,235,395		

Notes

- 1 No allowances for Injurious Affection
- 2 No allowances for severance
- 3 No offset for betterment
- 4 No allowance for change of Planning

FORTH PORTS RISK OF ADVERSE CAAD REQUIRING REVISED BASIS OF VALUATION CALA CAAD at appeal stage - Awaiting appointment of Reporter
 HAYMARKET YARDS RISK OF ADVERSE CAAD REQUIRING REVISED BASIS OF VALUATION BAM CAAD being considered
 GYLE RISK FROM CHANGING PLANNING REQUIREMENTS FOR SHOPPING CENTRES PERMITTING ADDITIONAL DEVELOPMENT THEREFORE INCREASED VALUATION
 AIRPORT/AS ONGOING PLANNING DISCUSSIONS INCREASING HOPE VALUE PLUS CHANGE OF PLANNING CONSENT WITHIN 10 YEAR PERIOD ALLOWS CLAIMANT TO REVISIT CLAIM
 EAL NOW SUBMITTED CLAIM
 GENERAL CONSIDERABLE EXPOSURE TO COSTS FOR CAADS, LANDS TRIBUNAL AND COURT REFERRALS
 ADDITIONAL SETTLEMENTS ALSO RESULT IN ADDITIONAL FEES AND INTEREST PAYMENTS

	CLAIMS LODGED	DV ESTIMATE	SHORTFALL
WEST CRAIGS	£ 8,500,000	£ 230,271	£ 8,269,729
SH	£ 11,500,000	£ 1,445,500	£ 10,054,500
BAM	£ 2,000,000	£ 28,750	£ 1,971,250
CALA	£ 1,500,000	£ 10,000	£ 1,490,000
EAL	£ 4,500,000	£ 666,825	£ 3,833,175
TOTAL	£ 26,000,000	£ 2,361,346	£ 23,638,654

CEC00236405_0018

Extract from CEC Risk Register dated 21 April 2010

Owner/Manager	Due/Review Date	ID	Risk Category	Risk Description	Likelihood	Impact	Score	Existing Controls	Likelihood	Impact	Score	4 Ts	Relevant Actions	Potential Cost	Likely Cost
Marshal Poulton		1	Commercial	Adverse commercial stance of BSC	10	10	100	Intraco Contract Document, Dispute Resolution Process (DRP)	9	9	81	Treat	• Further DRP • De-scope BB • Audit mechanism to build case for breach of contract.	£80,000,000	£30,000,000
Marshal Poulton		2	Commercial	Failure to agree supplementals risk of continuing intransigence of BB.	9	10	90	Existing Contract	9	9	81	Treat	Continue DRP process and evaluation of Strategic Options	£100,000,000	£40,000,000
Donald McGougan		3	Political	New UK Government sets restrictions on the Prudential Borrowing Framework as a means of cutting Public sector borrowing	8	10	80	Investigative work into alternative Financing arrangements for the Council's funding commitment to the project and contingency planning options.	7	10	70	Treat	Monitor Situation with regards to Government Policy and continue investigation into alternative funding options	£150,000,000	£50,000,000
Tram Project Board		4	Finance	Failure to take timely decision on re-phasing of construction	8	10	80	Tram Project Board as the strategic decision making body, greater Council Officer involvement.	7	9	63	Terminate	Robust assessment of strategic options needed. Potential De-scoping of BB at Haymarket following completion of off street sections. Remaining on street works completed via smaller package contracts to gain more control.	£80,000,000	£40,000,000
Donald McGougan		5	Finance	Inability of council to afford cost over runs	8	10	80	Intraco Contract, Dispute Resolution Process, Strategic Options considerations	7	9	63	Treat	Use all possible mitigations to ensure cost overrun does not happen. Reduce costs within the project budget where appropriate/achievable. Contingency Planning - Examine TEL Profits to finance prudential borrowing, TF for funding Ocean Terminal section, Inclusion of additional borrowing costs in CEC's long term financial plan. Approach TS for additional funding.	£100,000,000	£50,000,000
Marshal Poulton/LynnMcMoth		6	Finance	Cost over runs lead to increased scrutiny by 3rd parties eg. Audit Scotland, TS, political groups, public and media	10	9	90	Periodic meetings with third parties and political groups	8	7	56	Treat	Proactive Press coverage and media briefings. Continuation of meetings/briefings with political leaders and stakeholders.		
Marshal Poulton		7	Management	Poor contract management by tie	8	8	64	Tram Project Board, FCL	7	7	49	Treat	Council take a more active role in the management of the project and enforce the terms of the operating agreement forcefully	£80,000,000	£30,000,000
CEC Internal Planning Group		8	Management	Failure of Council to manage tie	8	8	64	IFO, FCL, TPB, MoU, Operating Agreements	7	7	49		Council take a more active role in the management of the project and enforce the terms of the operating agreement forcefully	£80,000,000	£30,000,000
Dave Anderson/David Cooper		9	Financial	Failure to reach agreement with Forth Ports under suitable terms	9	7	63	Section 75 Guidelines, Third Party tram agreement	7	7	49		Use all levers possible to get commitment from Forth Ports including TF, Planning and s75 guidelines.	£20,000,000	£15,000,000
Andy Conway/Alan Coyle		10	Finance	Cost of additional works required post-contract	8	7	56	Tranco and Intraco Maintenance Agreements	8	6	48	Treat	Align road maintenance programme with tram programme.	£8,000,000	£5,000,000
Marshal Poulton		11	Commercial	Financial Impact of Changes from Base Date Design Drawings to Issued for Construction Drawings	9	6	54	Commercial evaluation of design change notices by tie commercial team. Dispute Resolution Process where tie disagree with estimates or liability for design changes.	9	5	45	Treat	BDDHFC Design related issues referred to Dispute Resolution Process where required. DRP's should be endorsed by FCL.	£21,000,000	£16,500,000
Marshal Poulton		12	Commercial	Supplemental agreements required to deliver original contract terms. Using the experience of the Princes St supplemental agreement could expose the project to cost increases related to Full Depth reconstruction and an over engineered design.	7	10	70	Site Supervision/Daily record sheets requiring sign off by construction directors	6	6	36	Treat	Ensure greater site presence is in place. Take greater control over design solutions and ensure that further on-street sections are not over engineered.	£30,600,000	£12,100,000